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2 Pages

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 14th day of May, 2008, between David A. Thompson and Lynnette M. Thompson, husband and wife, Lessor (whether one or more), whose address is: 5609 Cherilee Lane, Watauga, Texas 76148, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced Tarrant, State of Texas, and is described as follows:

0.190 acres, more or less, out of the Edmund MDKing Survey, Abstract No. 895 and being Lot 13-R, Block 5, Browning Park, an Addition to the City of Haltom City, Tarrant County, Texas, According to the plat recorded in Volume 388-60, Page 38, Deed Records of Tarrant County, Texas and being those same lands particularly described in a Warranty Deed with Vendor's Lien dated August 19, 1994 from Margaret A. Renfro Symonds to David A. Thompson and wife, Lynnette M. Thompson, recorded thereof in Volume 11710, Page 1056, Deed Records, Tarrant County, Texas and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

This is a non-development Oil, Gas and Mineral Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's lease. This clause shall take precedence over any references to surface operations contained within the preprinted portion of this

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years
  with no cessation for more than ninety (90) consecutive days.
- with no cessation for more than ninety (90) consecutive days.

  3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the posted market price of such 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average case, to bear 25% of the cost of treating oil to render it marketable pipe line oil. To To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee from said land (1) when sold by Lessee 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee from said land or in the manufacture of gasoline or other producits, the market value, at the mouth of the well, or (2) when used by Lessee from said land or in the manufacture of gasoline or other producits, the market value, at the mouth of the well, or (2) when used by Lessee from said land, on-tenth efficir in kind or value at the well or mine at primary term or at any time or times thereafter, there is any well on said dand or on lands with which said land or any portion thereof has been were being conducted on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as though operations occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to during such time there are no operations on said land, then at or before the expiration of said ninety day period of ninety consecutive days, and check or draft of Lessee, as royelty, as sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or payment would be entitled to re
- assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

  4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, covered by this lease, and/or with any other land, lease, or leases, as to any, all minerals or horizons, so as to establish units containing nor more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any, one or more horizons, or existing units may be enlarged as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, or existing units may be enlarged to the than cashinghead gas, (2) liquid hydrocraotors (per before acres plus 10% acreage tolerance, if limited to one or more of the following from wells classified as gas wells by the conservation agency or before a contrained to the state of the contraining maximum allowable from any well to be daffed, drilling, or other or the drilling or operation of a well at a enlarged to conform to the size permitted, either at the regular location, or for obtaining maximum allowable from any well to be daffed, drilling, or already drilled, any such unit may be established or by executing an instrument identifying such unit and flight of the public office in the state of the state provided for in said instrument or instruments but if said instrument or which this lesse is in force or the said and said become shall and or may be exercised by the said instrument or unit shall become shall be added to the said and effective on the date such instrument or instruments are so filed of record. Each of a may be exercised by Lessee at any land, or on the grade of the said and effective or the date such instrument or instruments but of the provision of the said

production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lesser. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement change or division in the ownership of said land or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the moneys accruing from any part as to which this lease covers less than such full interest therein, then the royalties and other therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. lease, except as expressly stated.
- 15. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial three (3) year primary term for a second two (2) year term. This option may be exercised anytime during the initial notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the bonus payment provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was five (5) years.